



Concerns Regarding Spectrum Consolidation

Presented to the FCC

June 6, 2012



ATN Introduction

ATN and its subsidiaries provide wireless and broadband services to serve some of the most rural U.S. markets:

Allied Wireless Comm. Corp. (“AWCC”, d/b/a Alltel):

- Retail mobile communications provider operating in 6 States (GA/SC/NC/IL/OH/ID) & 26 CMA's
- 3G EvDO

Commnet Wireless, LLC:

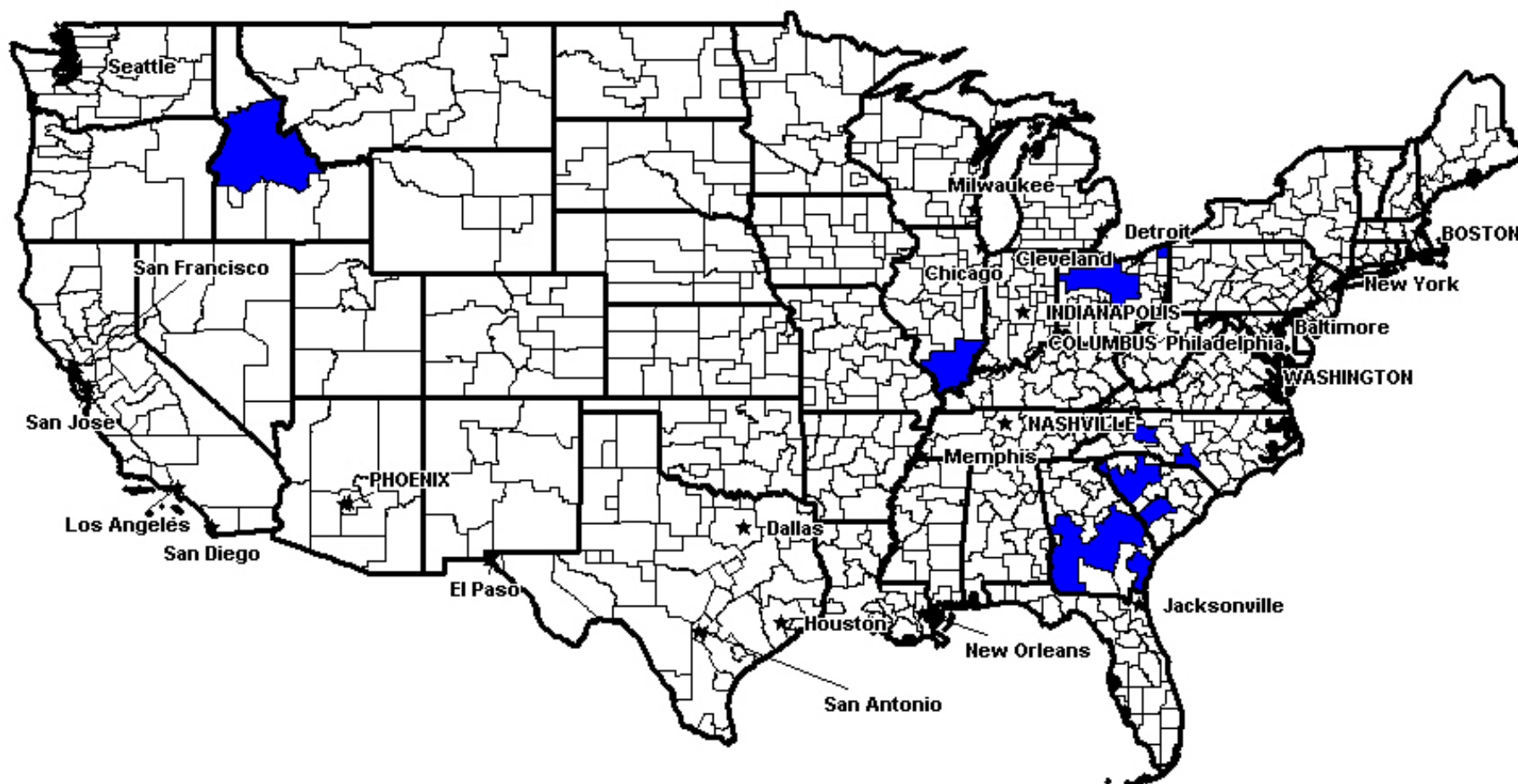
- A provider of wholesale & retail wireless in the southwestern US, including Navajo Tribal lands through BTOP grants

Choice Communications, LLC:

- A provider of wireless fixed and mobile service in the USVI



Alltel Properties



The Importance of Spectrum

Alltel's need for spectrum is driven by three main issues:

1. Capacity

- Increased data usage is driving capacity constraints
- Scale driven industry demands efficiency to be competitive

2. Footprint Expansion

- Customers demand a broad footprint
- To meet the need for broader footprint, small carriers pay exorbitant roaming costs

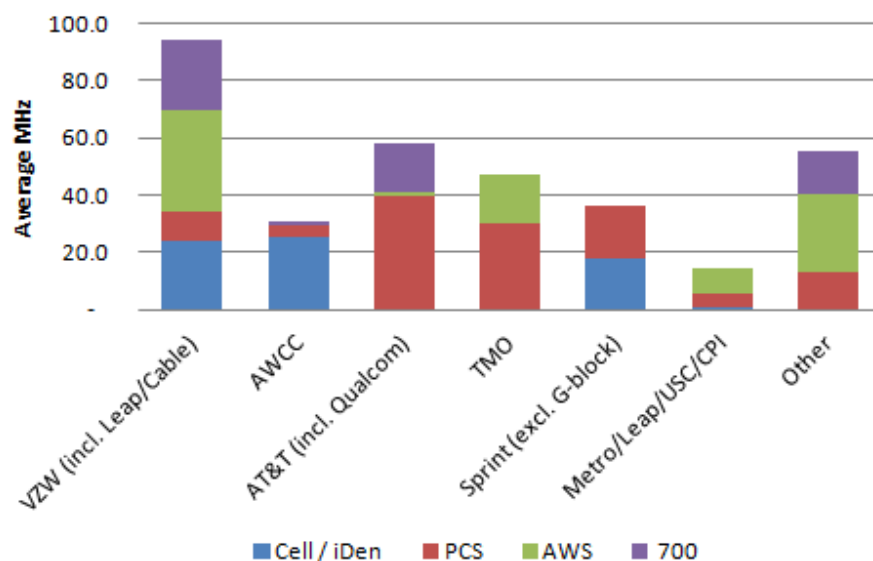
3. 4G Relevance

- Alltel has virtually no usable, industry acceptable 4G spectrum today
- Without a path to 4G, small carriers become marginalized

Alltel, and other carriers with substantially less spectrum, are at a competitive disadvantage in terms of services, packages, pricing and efficiency, as customers have similar expectations from all carriers.

AWCC Spectrum Landscape Post VZW Deals

MHz by Carrier in AWCC Footprint



- VZW & AWCC hold the #1 & 2 market share positions respectively in AWCC markets.
- Most high-frequency providers (AT&T/TMO/Sprint/Leap/Metro) have only limited geographical deployment of mobile service in AWCC footprint.
- Other (*non-operational*) holds 16% of all spectrum.

Average MHz in AWCC Footprint

	Total	Cell / iDen	PCS	AWS	700	
Verizon	76.7	24.0	9.2	19.6	23.8	
Leap-VZW	1.5	-	0.8	0.7	-	
SpectrumCo	16.3	-	-	15.5	0.8	<== Incl. Cox
Net VZW	94.5	24.0	10.0	35.7	24.7	
AT&T	57.7	-	39.8	1.0	16.9	<== Incl. Qualcomm
T-Mobile	47.1	-	29.8	17.3	-	
Sprint	36.3	18.0	18.3	-	-	<== Excl. CLWR / G-block
AWCC	30.6	25.0	4.4	-	1.3	
CPI (IL-9)	0.8	0.8	-	-	-	
USCC	3.3	0.1	0.5	2.7	-	
Leap	7.8	-	3.2	4.5	-	
Metro	2.5	-	0.5	2.0	-	
Other	55.3	-	13.3	26.8	15.2	
TOTAL	336.0	68.0	120.0	90.0	58.0	

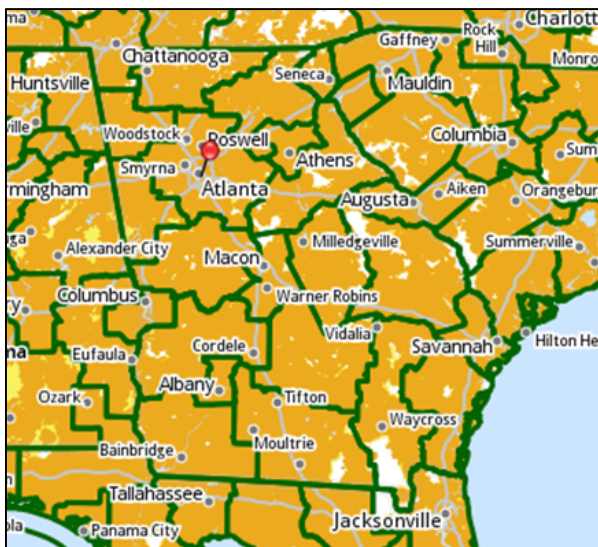
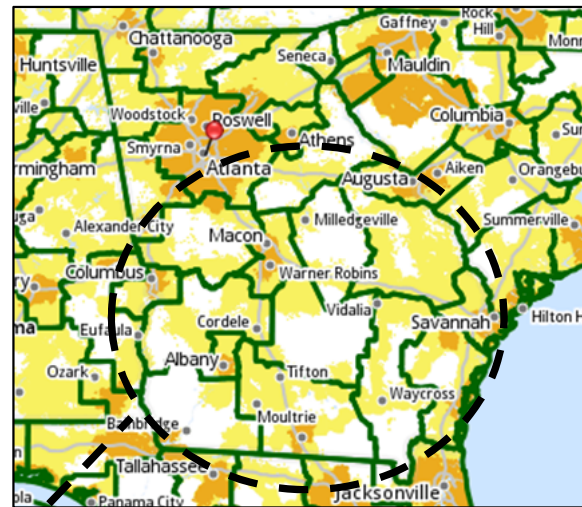
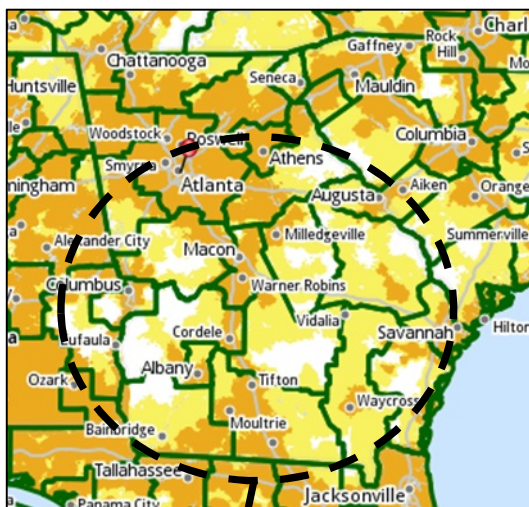
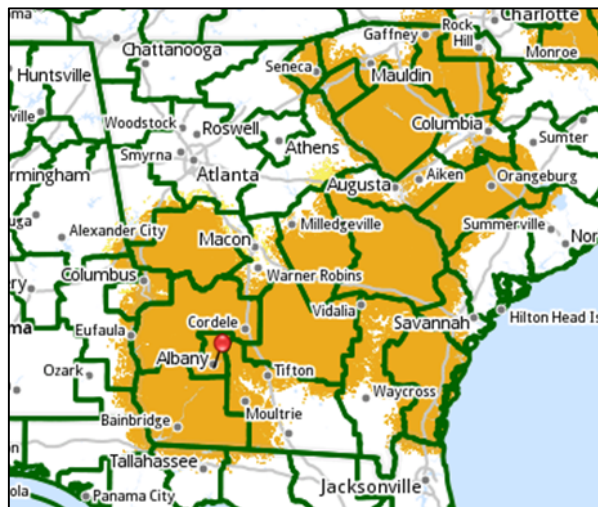
NOTES:

- Sprint excludes Clearwire & PCS-G block (10MHz)
- 700MHz includes only Lower-A/B/C/D and Upper-C.

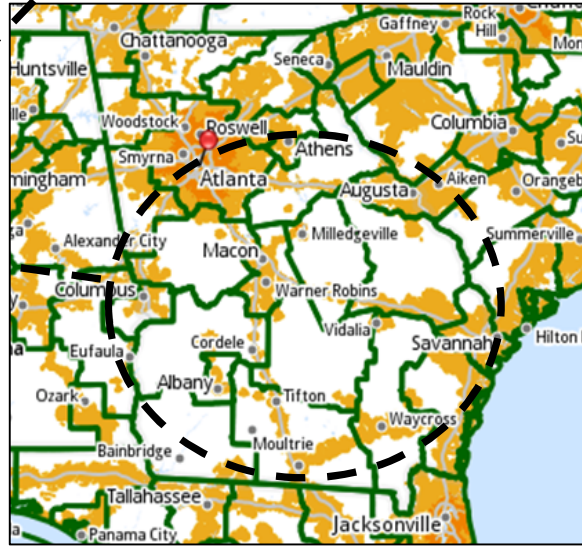
GA Coverage – Competitive Comparison

850 MHz Carriers: **AWCC (Top); VZW (Bottom)**

PCS/AWS Carriers: **ATT (Center); TMO (Top Right); Sprint (Bottom Right)**



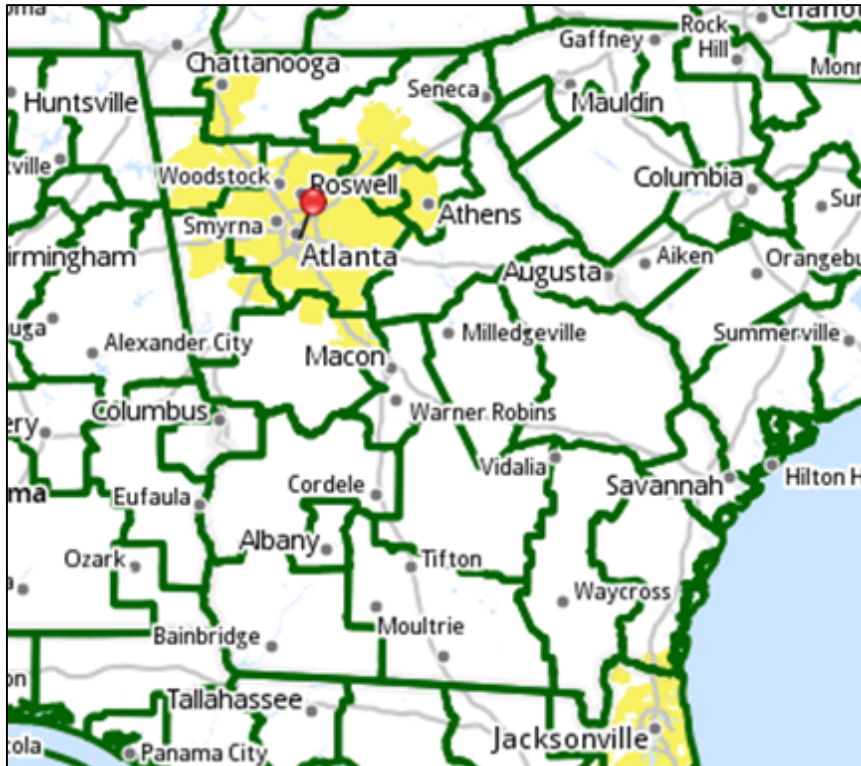
Note: Very sparse voice and data coverage in AWCC markets



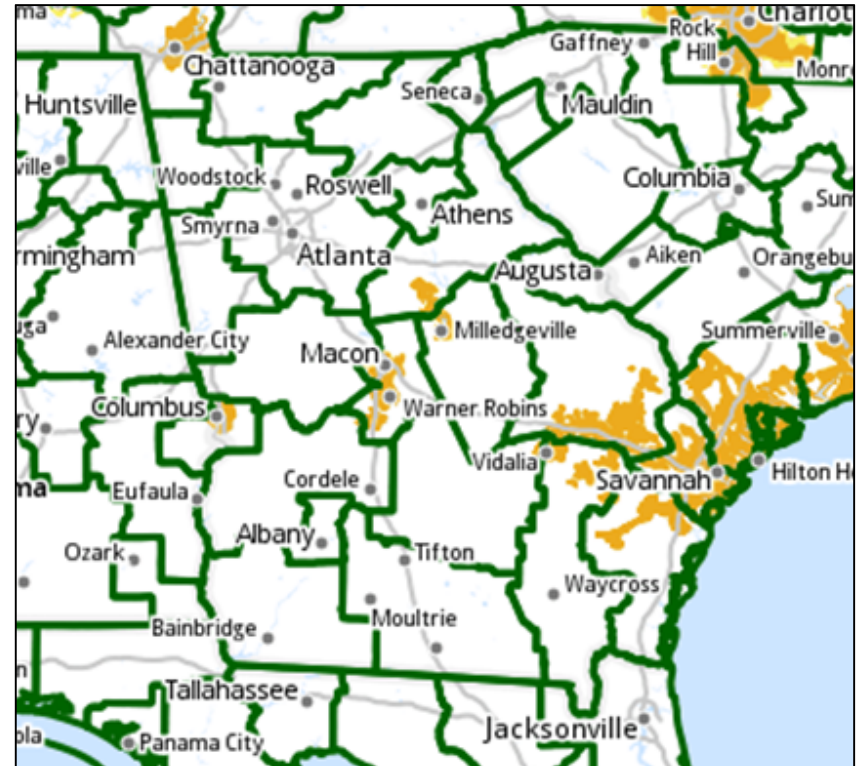
Yellow = 2G Service
Orange = 3G Service

GA Coverage – Competitive Comparison (cont.)

Metro PCS

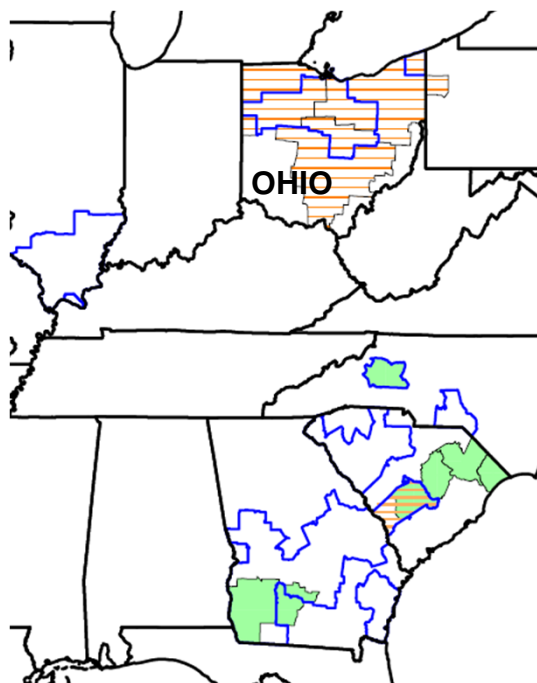


Leap





VZW Purchase/Swap from Leap



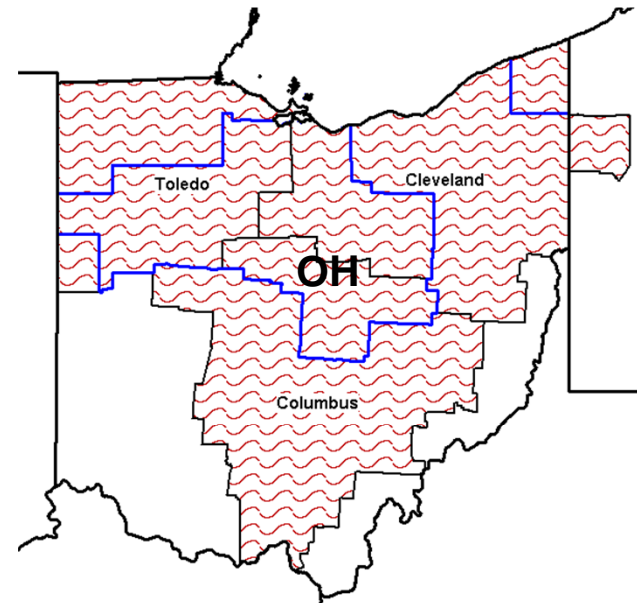
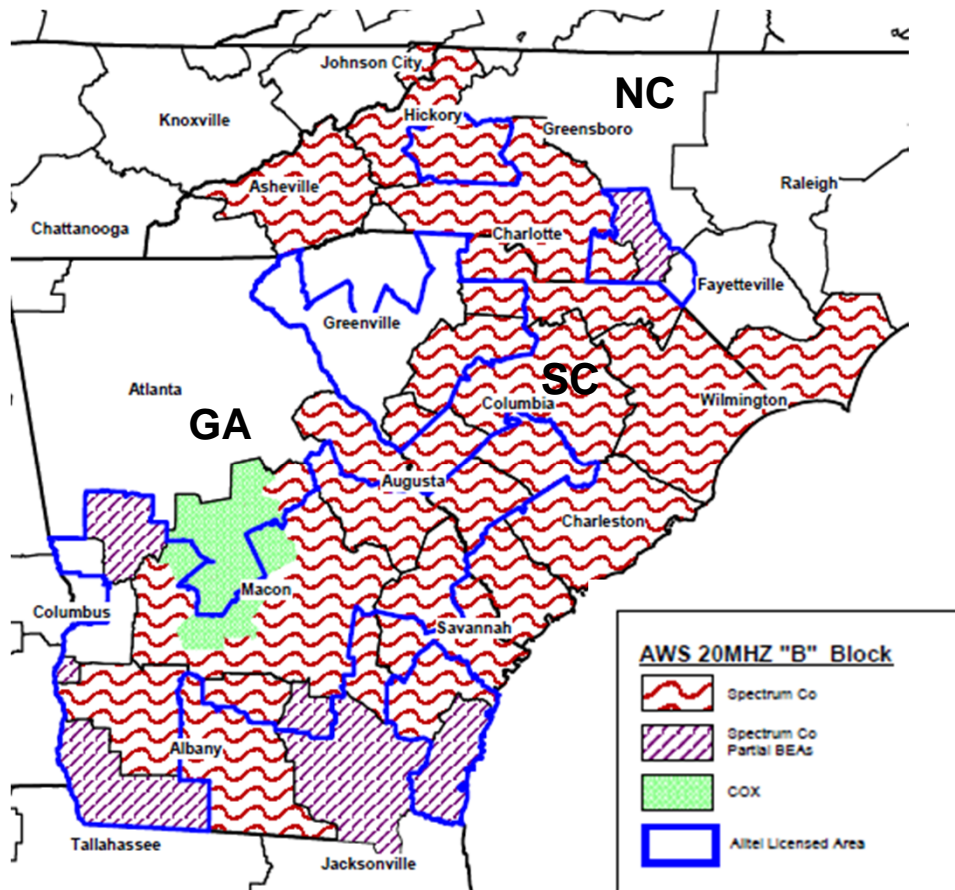
- VZW is acquiring spectrum in 11 of AWCC's current markets
- Acquiring 10~15 mhz of PCS in 9 of the markets
- Acquiring 10 – 20 mhz of AWS in 3 markets
- Acquiring both PCS and AWS (30mhz) in SC-7
- VZW is not divesting any spectrum in AWCC markets as a part of this transaction
- In all markets listed below, VZW has pending transactions to purchase additional 20 mhz of AWS from SpectrumCo or Cox

AWCC			VZW Before					VZW After				
Markets:			Cell	PCS	AWS	700	Total	Cell	PCS	AWS	700	Total
Albany, GA	BTA 006	35	25	10	20	22	77	25	25	20	22	92
Hickory, NC	BTA 189	35	25	10	20	22	77	25	20	20	22	87
Orangeburg, SC	BTA 335	35	25	10	20	22	77	25	20	20	22	87
Florence, SC	BTA 147	10	50	20	20	22	112	50	30	20	22	122
Sumter, SC	BTA 436	10	50	20	20	22	112	50	30	20	22	122
Myrtle Beach, SC	BTA 312	10	25	30	20	22	97	25	40	20	22	107
Marion, OH	BTA 281	25	25	20	20	22	87	25	30	20	22	97
Columbus, OH	BEA 051	25 *	25	10	20	22	77	25	10	30	22	87
Cleveland, OH	BEA 055	25 *	50	10	20	34	114	50	10	30	34	124
Toledo, OH	BEA 056	25 *	50	25	20	22	117	50	25	30	22	127
SC-7 Calhoun	CMA 631	35	25	10	20	22	77	25	20	40	22	107

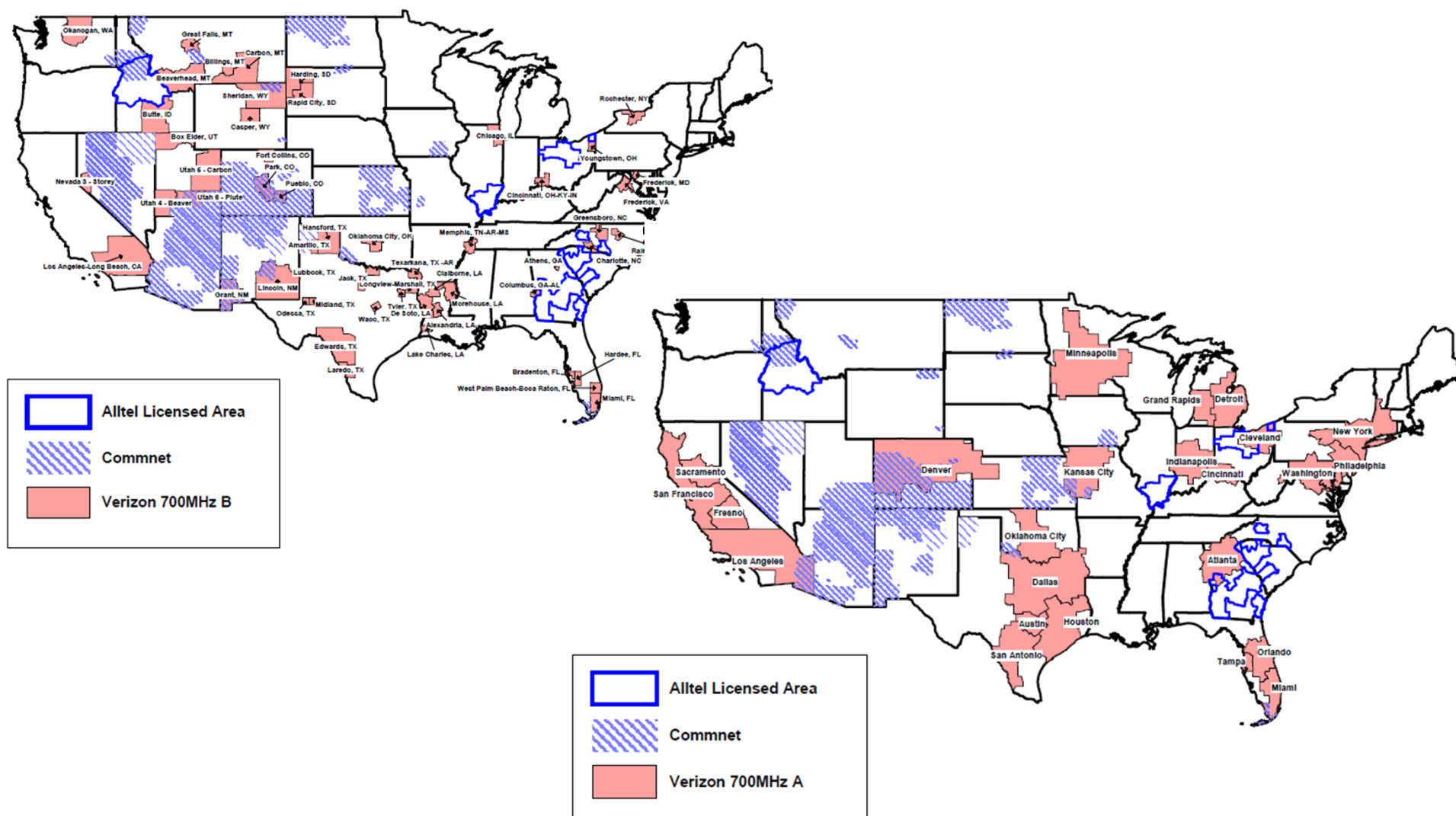
* AWCC coverage limited to partial BEA

Verizon Purchase/Swap with Cable

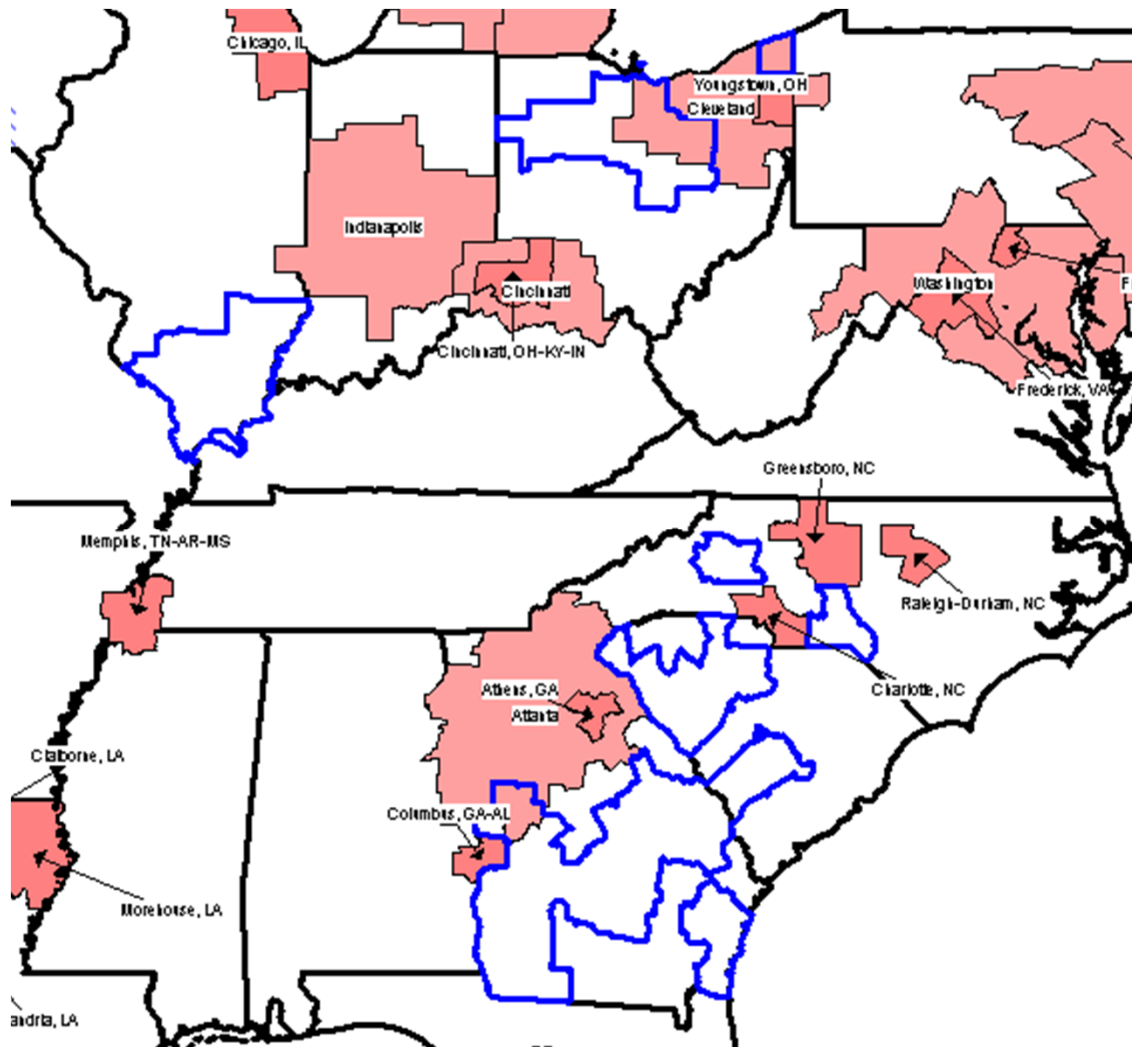
- VZW is acquiring 20 mhz of AWS spectrum in all but a few AWCC markets as a part of their national transaction
- Verizon is not divesting any spectrum in AWCC markets as a part of this transaction



VZW Proposed 700-A/B Sales



Limited Relevance of VZW 700 Sales



- The only overlap with AWCC's existing footprint is in several Georgia counties that are part of the Atlanta license and several Ohio counties that are part of a Cleveland license
- AWCC has signed a deal to purchase adjacent market, Columbus, GA from VZW

VZW 700Mhz

 A Band

 B Band

AWCC Licensed Footprint

 Altel

 Commnet



Action

- Rural carriers who are currently operating must have immediate access to spectrum to improve service to rural consumers
- AWS divestitures to competitive rural carriers will create a rural LTE path
- Spectrum consolidation is just as important as consolidation of competitive mobile networks, and should be carefully scrutinized
- Spectrum divestiture, like asset divestiture, is an effective and appropriate remedy in certain markets
- Spectrum needs of competitors are immediate and are not being satisfied by secondary markets or by future auctions